

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6799**

**BILL NUMBER: SB 299**

**DATE PREPARED:** Dec 28, 2000

**BILL AMENDED:**

**SUBJECT:** Teacher Recruitment and Retention.

**FISCAL ANALYST:** Chuck Mayfield

**PHONE NUMBER:** 232-4825

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill establishes a Teacher Recruitment and Retention Grant Program administered by the State Student Assistance Commission. It provides that the purpose of the program is to attract qualified teachers to those geographical areas of the state where a critical shortage of teachers exists and to retain the qualified teachers in teacher shortage areas by providing scholarships to persons working toward a master's degree in education or an educational specialist degree. The bill provides that a person awarded a scholarship under the grant program may receive the scholarship for not more than four school years. The bill also provides that, as a condition of participating in the program and receiving a scholarship, a teacher shall agree to employment as a licensed teacher in a school district located in a teacher shortage area for a period of at least three years.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The fiscal impact depends on the number of teachers that would apply for the scholarship and then teach in a geographical area where a critical shortage of teachers exists. There are approximately 23,108 teachers with less than 10 years of experience. Assuming 10% of those teachers would be willing to acquire their master's degree and teach in a shortage area, then 2,310 scholarships could be awarded the first year. Assuming an award of about \$4,000, then the impact would be about \$9,240,000 the first year. The maximum length of the award is four years, but a student attending college full-time could get a masters degree in one or two years. The impact of 4,000 teachers enrolled in the program, assuming 2,000 full-time students per year for two years, could be about \$18.5 M.

The bill also allows for the reimbursement of moving expenses to the critical shortage area and professional development as may be needed for the retention of teachers participating in the program. The cost of moving expenses and professional development is not known. However, assuming expenses of \$300 for moving and \$400 for professional development, the moving expense of 2,310 teachers would be \$693,000 and the professional development cost would be \$924,000 in the second year of the program.

A teacher that receives an award is required to teach three years in a school district located in a geographic area where a critical shortage of teachers exist. If a teacher fails to meet this requirement, the teacher must immediately repay the award proportionately reduced by length of time taught in the shortage area.

The Student Assistance Commission would experience increased cost with administrating the program. Assuming a 10% administrative cost, the impact the first year is \$924,000 and the annual cost after four years would be \$3.7 M.

This bill does not make an appropriation for this grant program.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Student Assistance Commission.

**Local Agencies Affected:** Department of Education databases, Higher Education Commission fee information.

**Information Sources:**